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## Materialistic consumers who seek unique products: How does their need for status and their affective response facilitate the repurchase intention of luxury goods?



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#### ABSTRACT

It is generally known that status consumption fulfils the hedonic needs of luxury goods consumers; affective response generated from the purchase behavior of luxury goods is linked to the display of wealth and symbolic meanings obtained from social standing. However, there is a paucity of studies on how the affective response of consumers influences their repurchase intention of luxury goods. Therefore, in this paper, the repurchase intention of luxury goods consumers is investigated, their motivations are examined, and how status consumption affects their affective response will be demonstrated. The sample in this study comprises 568 survey respondents. The findings show that affective response has the strongest direct impact on repurchase intention. The need for uniqueness and materialism have indirect effects on repurchase intention through status consumption. Consequently, the results will enrich the existing literature on consumer behavior and provide theoretical and practical implications.

#### 1. Introduction

The luxury goods market is becoming increasingly complex and competitive. To enhance response from the consumer market, luxury brands need to obtain detailed insights into the consumer psyche, so that even food or beverage labels can strive to improve their sales (D'Arpizio, 2014). As the sales of luxury goods demonstrate a steady but insignificant growth, luxury brands have now shifted their focus to the use of creativity and product development to increase their sales figures. Most consumers, regardless of their income level or social standing, are willing to spend large sums of money on luxury products to enhance their status. However, to engage in status consumption, most consumers will buy luxury goods with credit cards or through financial credit packages so as to fulfill their personal desires (Bernthal et al., 2005). Almost all luxury goods consumers have similar beliefs and perform this kind of consumption behavior (Husic and Cicic, 2009). Therefore, in a dynamic luxury goods market, one should understand the psychological determinants of status consumption as a prominent factor in increasing market share.

Previous studies of consumer behavior in the purchase of luxury goods have mainly investigated the antecedents of status

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http://dx.doi.org/10.1016/j.jretconser.2015.07.001 0969-6989/© 2015 Elsevier Ltd. All rights reserved. consumption, including interpersonal (Lertwannawit and Mandhachitara, 2012) and social (Ruvio, 2008) influence, and sociopsychological, situational (Shukla, 2010) and self-related (Sivanathan and Pettit, 2010) factors. These studies show well-intentioned attempts to include all possible and relevant antecedents of status consumption. However, few studies have investigated how status consumption influences the affective response of consumers and motivates their repurchase intention. To better understand how consumers are motivated to buy luxury goods, affective response should also be considered. Affective response, in this context, is derived from the feelings generated from luxury brands (Sweeney and Soutar, 2001). Yet, traditional social psychological theories of attitude and behavior seldom focus on repurchase intention. Related studies on repurchase intention are largely fragmented and the corresponding factors are made out to be complicated (Söderlund, 2002; Hellier et al., 2003). In measuring behavioral expectation, a repurchase probability indicator may possibly outperform behavioral intention when predicting the next purchase.

Therefore, in this empirical study, a theoretical model will be developed to examine how status consumption influences the affective response of consumers and how affective response ultimately influences the repurchase intention of luxury goods. The specific objectives are as follows:

- to empirically examine the causal relationships among the

need for uniqueness, materialism, status consumption, affective response and repurchase intention;

- to identify the key factors that motivate the repurchase intention of luxury goods by consumers; and
- to ascertain a theoretical model that will help academic researchers and luxury industry practitioners formulate effective marketing strategies that target status-conscious consumers who buy luxury goods.

#### 2. Literature review and hypotheses development

#### 2.1. Luxury fashion goods

The meaning of luxury differs in time and space, and is a subject of shifting interpretations (Nwankwo et al., 2014). Luxury brands are often referred to as high quality, expensive, non-essential products and services that are perceived by consumers as exclusive, prestigious, and authentic offerings that have high levels of symbolic and emotional value (Tynan et al., 2010). Visible luxury brands worn on the body is one of the means to present the identity and self-worth of an individual (Husic and Cicic, 2009). Luxury fashion goods can be defined as apparel, handbags, shoes, accessories, watches and jewelry for which the consumption of a particular branded product in front of others brings prestige to its owner, aside from functional utility. The current study views luxury fashion goods from the perspective of luxury brands and adheres to the description of luxury fashion goods discussed by Li et al. (2012). Luxury fashion brands are publicly consumed luxury products that the wearers can easily employ to signal wealth and social status.

#### 2.2. Status consumption

Eastman et al. (1999) defined status consumption as "the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others (p. 43)". Status consumption is 'principally irrational' (psychological) in its motivation and expression (Shukla, 2008). It is an individual difference variable that concerns one's motivation to consume for status or social prestige regardless of income level or social class (Eastman et al., 2013). Researchers often link status consumption to conspicuous consumption. Some studies use the definition of these two concepts interchangeably. In the literature on luxury branding, status and conspicuousness are considered as a single dimensional construct (Vigneron and Johnson, 2004). However, status consumption is influenced by self-monitoring and interpersonal factors whereas conspicuous consumption is influenced only by interpersonal factors (O'Cass and McEwen, 2004). Status consumption is more concerned with the desire of a consumer to gain prestige from acquiring luxury goods.

Studies on status consumption have been emerging in recent years. A notable feature of this burgeoning research topic is that a significant portion examines the antecedents of status consumption. They are focusing on interpersonal influence (e.g. self-monitoring, fashion consciousness, and materialism) (Lertwannawit and Mandhachitara, 2012), social (e.g. informational influence and social comparison) and personal influence (e.g. tendency to conform and need for uniqueness) (Clark et al., 2007), socio-psychological factors (e.g. social gain and esteem indications), management/market controlled brand features and situational factors (e.g. social occasions) (Shukla, 2010), symbolism of brands, their familiarity and elicited feelings (O'Cass and Frost, 2002), and other self-related factors (e.g. self integrity, ego and self-threat) (Sivanathan and Pettit, 2010). Given that status consumption is an important construct in studying luxury goods consumption, surprisingly, only a handful of studies have extended the discussion and investigated the behavioral intention of consumers and their probability to repurchase. Geiger-Oneto et al. (2013) investigated alternative brand type choice processes (non-luxury brand and both authentic and counterfeit luxury brand types) and found support for status consideration in selecting or rejecting luxury brands. Latter et al. (2010) investigated the influence of the need for uniqueness and status consumption on brand perception (brand judgment and emotional value), thus ultimately affecting purchase intention. The exact nature of the relationships among status consumption, affective response and repurchase intention has yet to be specified. Eng and Bogaert (2010) stressed that status consumption actually fulfils the need for hedonic consumption.

In the following sections, particularly well-known constructs that are related to status consumption are investigated, since they often have effects on consumer behavior in the buying of luxury goods. There is an extensive discussion on previous studies and their theories to support the research hypotheses.

#### 2.3. Consumers' need for uniqueness

The need for uniqueness construct originated in uniqueness theory put forth by Snyder and Fromkin (1977), which is manifested in the individual pursuit of material goods to differentiate oneself from others and enhance one's self-image (Knight and Kim, 2007). Tian et al. (2001) defined the need for uniqueness as a situation in which a person pursues brands and products to express uniqueness in order to develop and enhance his/her personal image and social identity. The need for uniqueness consists of three behavioral dimensions: (1) creative choice counter-conformity, (2) unpopular choice counter-conformity, and (3) avoidance of similarity. Consumers who are apt towards creative choice counter-conformity will conform to social norms, even if they want to express their self-identity and uniqueness by consuming new brands and exclusive products because they still want to be accepted by society (Tian et al., 2001; Knight and Kim, 2007). Consumers who are oriented towards unpopular choice counterconformity are likely to risk social disapproval by choosing unique brands that deviate from social norms as they cannot seek effective ways to differentiate themselves in a socially approved way (Tian et al., 2001). Negative comments from others will usually be ineffective on uniqueness-seeking consumers. Instead, they will purposely buy unusual items and disregard criticism from their peers (Simonson and Nowlis, 2000). Consumers with a tendency to avoid similarities try to shun brands that are considered common and therefore cease the consumption of popular brands to avoid similarities with others, and in such a way, distinguish themselves (Tian et al., 2001; Knight and Kim, 2007). From the perspective of consumer behavior, the overall concept of the need for uniqueness is similar to anti-conformity, where consumers avoid conforming to an exposed social norm.

When there is the need for uniqueness, items that are a novelty and scarce act as the tools to build specialness, as they are an important resource for defining a sense of self (Snyder, 1992). At the very basic level, the need for uniqueness is a product of unsatisfactory self-evaluation (Fromkin, 1972). Unique material possessions become the means for consumers to differentiate themselves from others and express their social image without creating an extreme social reaction which could result in deviation (Ruvio, 2008). Similarly, status-conscious consumers aspire to elevate themselves to a unique position among group norms. They purchase luxury brands as part of their basic necessities, which tends to maintain interpersonal difference. Luxury brands are sold at Download English Version:

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